

## Message Text

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PAGE 01 LIMA 08075 292259Z

67

ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

AID-05 COME-00 EB-07 FRB-03 TRSE-00 XMB-02 OPIC-03

CIEP-01 LAB-04 SIL-01 OMB-01 INT-05 /089 W

----- 040684

R 292050Z SEP 75

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 7004

INFO AMEMBASSY CARACAS

LIMITED OFFICIAL USE LIMA 8075

EO 11652: N/A

TAGS: EINV, EMIN, PE

SUBJECT: VENEZUELA TO BUY ONE MILLION TONS OF IRON PELLETS

1. ACCORDING TO "LA PRENSA" OF SEPTEMBER 29, THE PRESIDENT OF SIDERURGIA VENEZOLANA DEL ORINOCO (SIDOR) AND THE CORPORATION VENEZOLANO DE GUAYANA, ARGENIS GAMBOA, WHO WAS IN PERU DURING THE WEEK OF SEPTEMBER 22, ANNOUNCED THAT VENEZUELA WOULD PURCHASE ONE MILLION TONS OF IRON PELLETS FROM PERU.

2. THE VENEZUELAN ECONOMIC COUNSELOR CONFIRMED THIS REPORT. HE SAID THAT VENEZUELA IS INVOLVED IN AN EXPANSION OF ITS STEEL INDUSTRY WHICH REQUIRES LARGE SUPPLIES OF IRON PELLETS. DISCUSSIONS BETWEEN THE VENEZUELAN AND THE PERUVIANS ARE NOW UNDERWAY, AND HE EXPECTS CONTRACTS TO BE SIGNED WITHIN SEVERAL WEEKS. THE MATTER OF TRANSPORTATION OF THE ORE HAS NOT YET BEEN RESOLVED. HE WILL PARTICIPATE IN MEETINGS WITH MINEROPERU AND THE MINISTRY OF COMMERCE ON SEPTEMBER 30 TO ADDRESS THIS PROBLEM.

3. JAMES COMPTON OF MARCONA TOLD THE EMBASSY THAT PERU IS ASKING \$25 A TON FOR THESE PELLETS -- FORTY CENTS

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PER "IRON UNIT" -- WHICH WOULD BE LOWER THAN MARCONA'S

OFFER. HE ADDED THAT VENEZUELA WAS INTERESTED IN A SWAP --  
PERUVIAN IRON FOR VENEZUELAN OIL. HOWEVER, THE PERUVIANS  
ARE REQUESTING THAT SOME SORT OF FINANCING ARRANGMENTS  
BE INCORPORATED IN THIS TRADE, PRESUMABLY BECAUSE OF  
THE DESPERATE REQUIRMENT OF HIERROPERU FOR CASH.

4. COMMENT: WE ARE UNCLEAR AS TO HOW FINANCING WOULD  
BE WORKED INTO THIS ARRANGMENT. WE HOPE TO OBTAIN  
FURTHER INFORMATION FROM THE VENEZUELAN EMBASSY SUBSEQUENT  
TO THEIR SEPTEMBER 30 MEETINGS.  
DEAN

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** IRON, SALES, FOREIGN TRADE  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 29 SEP 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975LIMA08075  
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**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750337-0943  
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**Office:** ACTION ARA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
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**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 12 SEP 2003  
**Review Event:**  
**Review Exemptions:** n/a  
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**Secure:** OPEN  
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**Subject:** VENEZUELA TO BUY ONE MILLION TONS OF IRON PELLETS  
**TAGS:** EINV, EMIN, PE, VE  
**To:** STATE  
**Type:** TE  
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